

ADOPTING OR ADAPTING? THE TENSION BETWEEN LOCAL AND  
INTERNATIONAL MINDSETS IN PORTUGUESE MANAGEMENT<sup>1</sup>

MIGUEL PINA E CUNHA  
Faculdade de Economia  
Universidade Nova de Lisboa  
Rua Marquês de Fronteira, 20  
1099-038 Lisboa, Portugal  
Tel: 351-212 822 725  
Fax: 351-213 873 973  
Email: mpc@fe.unl.pt

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### ABSTRACT

One of the effects of the globalization process has been the diffusion of international management mindsets. Such a process of diffusion may be contributing to an increasing homogeneity of managerial practice around the world, but important differences still remain. The research reported in this article analyzes management as a process in the making, i.e. as a dynamic interplay between local culture, history and conditions, and the diffusion/adoption of international managerial techniques. The topic is approached inductively, through interviews with 71 managers based in Portugal. The article makes two main contributions: it analyzes management as a dialectical interplay between local factors and imported management knowledge, and helps to describe management practice in this Latin European country. Results suggest that the change process occurring in managerial practice in Portugal derives from the tension between a parochial mindset, inherited from almost five decades of dictatorship and its confrontation with a new global mindset. Some managers may be approaching this tension dialectically, through the enactment of a synthesis, which some informants interpret as potentially leading to a new “Latin managerial touch”.

Keywords: global management, management in Latin Europe, Portugal, dialectics.

One of the main features of contemporary social and organizational life is the process of globalization, which is the subject of heated debates regarding its pros and cons, the shape it is taking and the form it should take (Osland, 2003). In parallel, in a somewhat paradoxical movement, there is continuing research on national characteristics and cross-cultural differences. In the case of management, the diffusion of an international model is accompanied by the discussion of the advantages and disadvantages associated with its adoption. In the case of Europe, some authors have explored the diversity of European management and how it fits with such an international model. Topics covered in the debate include diversity as a main feature of European management (Calori & De Woot, 1994; Goffee & Jones, 1995), the distinct professional identities of managers in different European countries (Watson & Bargiella-Chiappini, 1998), and so forth. Other authors have explored, instead, similarities inside cultural clusters: Engwall (1996) contrasted “Vikings versus the world” and Calori and Dufour (1995) explored the major features of a common international European management model.

In this paper, a space between diversity and homogeneity will be explored. It analyzes the way a sample of Portuguese and non-Portuguese managers working in Portugal interpret the Portuguese style of management<sup>2</sup>. In this sense, the research deals with

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<sup>2</sup> As noted by one of the reviewers of this article, it may be somewhat audacious to make conclusions about the management style of Portuguese managers on the basis of their own representations, but representations influence practice. By way of circumventing this criticism, a sub-sample of non-Portuguese managers was also consulted. This raises another issue, however, as pointed out by another anonymous reviewer: these managers may be interpreting the Portuguese culture on the basis of their original culture, which may offer a very kaleidoscopic picture. Both of these criticisms are valid and should be addressed in future research. The present work, however, is a modest exploratory attempt at discovering what “Portuguese management” may look like. The previous criticisms should be considered as limitations of this research.

particularism and uniqueness. However, it also explores the possible similarities with other Latin European countries in order to develop a fine-grained understanding of some common traits among the Latin European countries. The Latin European cultural cluster, according to previous research (Jesuino, 2002) shares a number of characteristics, including a strong Catholic heritage and a Mediterranean culture. Diverse studies have previously addressed management practices in particular European cultural clusters. For example, Czarniawska and Sevón's (2003) volume was devoted to the study of the Nordic countries. Less is known, however, about management in Latin European countries.

This paper offers an attempt to unravel the practice of management in one Latin European country: Portugal. As observed by Aram and Walochik (1996), only a few studies have taken a polycentric approach to understanding culture-specific management attitudes and practices. With the above goals in mind, the paper proceeds from the macro to the micro level. It starts with an analysis of management in the Latin European cultural cluster, in order to provide a general overview of common traits of managing in this region. Then it moves to the Portuguese case. An analysis of the Portuguese national culture will be provided, aiming to present the cultural context of management practice. Finally, the discussion focuses on management practice. On the basis of data collected from 71 respondents, Portuguese management is studied in order to contribute to the understanding of how local and global factors influence the practice of management.

This is a qualitative exploratory approach to management in Portugal. Given the scarce research on the Portuguese management case, the research aims to acquire specific

country knowledge. The paper deals with the individual level of analysis: it is the personal representation of management in Portugal that I am trying to illuminate. Some macro theory, however, will be presented in order to allow readers to gain a better understanding of the context. Macro and micro levels, of course, are not unarticulated: macro-structures are created, reinforced, sustained and changed by individual agents acting collectively (Ford, 1996). In this study, however, I am not trying to uncover this dynamic: I am pursuing, instead, individual interpretations of the management process.

The article makes several contributions to the management literature. First, it proposes an exploration of management as an historically situated process. More specifically, it discusses how individual managers experience change in their profession's culture. Second, it analyzes how managerial interpretive schemas are affected by changes at the broader institutional level. Third, it examines the process of environmental change from the managers' point of view. Fourth, it adds to the scarce organizational literature on the Portuguese case. Finally, it highlights the way agents may contribute, through action and sensemaking, to changing the profession's culture.

#### THE LATIN EUROPEAN MANAGER AND THE INTERNATIONAL MANAGER

Contemporary managers are often confronted with contradictory advice: they are asked to manage with an "international mindset" and with "world class management techniques", while, at the same time, are warned about the need to respect local cultures. This requirement has been precipitated by the pressures for globalization, which are requiring managers to innovate their ways of working in order to comply with the available international management models. In other words, they are urged to implement their strategies across borders and cultures (Siehl, 1998). International

managers have been variously defined, but some characteristics tend to be consistently advanced: they are those who are able to work across national, cultural, product, functional and business borders; they understand how to articulate local needs with an extended overview; they are able to deal with the cognitive and emotional complexity of their jobs; they are the ones who have developed “above culture” mentalities, i.e. they think about the world as borderless and take it as their zone of operation (Bartlett & Ghoshal, 1989; Dalton et al., 2002; McCall & Hollenbeck, 2002). Percy Barnevik, ABB’s first CEO described them as having “exceptionally open minds. They respect how different countries do things, and they have the imagination to appreciate why they do them that way. But they are also incisive; they push the limits of the culture.” (Taylor, 1991, p. 94).

Given the previous characteristics, international managers embody “universal” best management practices, i.e. practices that can be transported from one location to another. In this study, I am interested in understanding how Portuguese managers are handling the tension between local culture and international best practices. With this in mind, and before moving to the discussion of management in Portugal, I approach the theme with an analysis of some possible common features of management practice in Latin European countries. This discussion will in turn facilitate the analysis of the Portuguese case.

*The Latin European style of managing.* Cross-cultural management research is uncovering evidence of the existence of both differences and similarities between countries. Every country is a unique culture, but research suggests that some countries share some common features – hence the notion of cultural clusters (e.g., Gupta et al.,

2002). Despite cultural diversity, a dominant, international management mindset has been diffused worldwide. This model serves as the benchmark, the ideal profile against which managers are evaluated, regardless of the cultural roots of their countries. This comparison makes differences between international management standards and local variations particularly apparent. For the purpose of this research, it exposes the particularities of management in Portugal. Evidence from the GLOBE project suggests that statistically the Latin European cluster is relatively homogeneous, which means that it may make sense to speak of some affinities in management practices in Latin European countries. This possibility is also consistent with Hofstede's (1980) study. There may be minor variations between classifications, but the Latin European cluster is normally said to be composed of France, Italy, Portugal and Spain. Some variations, however, are sometimes identified. For example, the GLOBE project includes in the Latin European cluster the French-speaking Switzerland and Israel (Jesuino, 2002).

The description of management practice in the Latin European cluster is consistent throughout the literature. Gupta et al. (2002, p.14) viewed it as revolving around "weak practices of performance orientation, institutional collectivism, and humane orientation." Hickson and Pugh (1995) view "the Latin touch" as meaning that: "in the Latin lands there is a comparatively personal approach to managing and organizing; personal authority counts and personal relationships matter. The personal touch makes organizations work, despite many-layered hierarchies and bureaucratized procedures, often by overriding or circumventing the rules." (p.72) Latin European countries are also characterized by high power distance, which means that they tend to be very authority conscious, and high on uncertainty avoidance. Uncertainty is reduced through clearly laid-down hierarchy, and a high number of rules and routines which provide a

secure sense of certainty, which is often a pseudo-certainty (Hickson & Pugh, 1995). Jesuino (2002) adds that one of the most distinct and peculiar traits of the Latin European nations is the paternalistic role granted to the State, which is expected to regulate, to educate and to protect people. To articulate these characteristics with the Portuguese case, the next section is devoted to the analysis of management and culture in Portugal.

### PORTUGAL: MANAGEMENT AND CULTURE

By convention, the term “transition” has been reserved for former communist nations adopting a capitalistic economy. However, Portugal has also been in transition in the last three decades. The country lived through a significant part of the 20th century under a totalitarian regime, which inculcated an identity based on the pride of being isolated (*orgulhosamente sós*, “proudly alone”) and on an image of imperial grandeur reminiscent of the maritime discoveries that once established Portugal as one of the world’s major powers. Then, in 1974, a bloodless revolution led the country into a democratic regime. In 1986, Portugal became a member of the European Union. Thus, in only twelve years, imperial isolation and an Atlantic orientation gave way to a complete integration in Europe. In only three decades, Portugal forged a radically new identity. To understand managerial practice in Portugal, it is thus important to keep in mind that only three decades ago the nation was living in a protected and closed market, with managers acting fundamentally on the basis of administrative models.

Considering the previous description, the effort for economic integration can be considered remarkable. Portugal is the country whose economy most converged between 1965 and 1995. According to Becker, Philipson and Soares (2003), Portuguese



income grew 298.3 percent in this period, while the developed countries' average by the same indicator was 140.2 percent. These data suggest that the country's economy is on a consistent path of growth. However, structural deficiencies persist. One of these may be the quality of management. Studies on Portuguese managers and management tend to portray a very negative situation. A Cranfield University/Ad Capita survey with expatriate managers in Portugal (Bennett & Brewster, 2002), presented Portuguese managers as formal, individualistic and autocratic, obsessed with academic titles, lacking critical skills in such crucial areas as strategic planning and teamwork, and as being unable to manage time efficiently. It is important to note that the report concludes with a comment by a British expatriate that is consistent with the stereotype of the sunny Latin European way of life, where *joie de vivre* is presumed to prevail over hard work (Wolf, 2002): "despite all the negative aspects – who cares – one lives in a country that offers a good climate, friendly people, and, most importantly, quality of life!" (p.18). Considering the previous descriptions, the present study analyzes the reasons why such a negative image of Portuguese managers exists. To avoid the criticism of stereotyping by foreigners, this study will consider both Portuguese and non-Portuguese managers. Before presenting the method and the results, existing evidence on Portuguese culture and management will be advanced, in order to contextualize the study and facilitate data interpretation.

**National culture.** According to Hofstede (1980), Portugal can be described as a feminine, high power distance, high uncertainty avoidance, collectivist society. It is, thus, an antipodal culture to the American one, in the sense that Portugal scores high on traits in which the U.S. scores low, and vice-versa. This is not only a curious observation but also a significant issue, in the sense that a significant contributor to the

definition of the international management model is the USA. This means that managers and organizations may be importing techniques from a culture which is radically different from the indigenous one. For instance, if the USA has a masculine, performance-oriented culture, Portugal has a feminine culture, which values nurturance, relationships and cooperation. In cultures high in masculinity, men should be dominating and women should be caring. In feminine cultures, sexes are viewed as not sharply differentiated or, in other words, there is more gender egalitarianism. It is important to observe in this respect that women tend to occupy more managerial positions in Portuguese companies than in multinational organizations operating in Portugal (Cabral-Cardoso, 2003a). Recent evidence by Jesuino (2002) highlights the fact that Portugal is the least-male oriented country in the Latin European cluster of the GLOBE project. Portugal has a high power distance culture, which refers to the degree to which organizational members accept that power should be shared unequally. Data from the GLOBE project (Jesuino, 2002) indicate that managers in Latin Europe perceive a high power distance and would prefer much lower levels of it. In Hofstede's study, Portugal ranks very high in uncertainty avoidance, meaning that Portuguese people are often nervous about what may happen and do not feel comfortable with ambiguous situations.

To counter uncertainty, organizations tend to develop a profusion of rules and regulations, aiming to increase orderliness, structure and clear specification of expectations. Data from Jesuino (2002), however, suggest that Portuguese managers cope better with uncertainty than would be expected from Hofstede's results. In this study, the tendency toward orderliness and clear specifications is higher in French Switzerland and France than in Portugal, Spain or Italy.

The final cultural trait, collectivism, means that “people from birth onwards are integrated into strong, cohesive ingroups, which throughout people’s lifetimes continue to protect them in exchange for unquestioning loyalty” (Hofstede, 1991, p.51). GLOBE data suggest that Portugal is higher on family collectivism, meaning “the degree to which individuals express pride, loyalty and interdependence in their families and close associates” than on institutional collectivism, or “the degree to which institutional practices at the societal level encourage and reward collective action.” (Jesuino, 2002, p.87).

**Management culture.** To understand the management profession in Portugal, it is necessary to take into account the fact that until 1974 companies competed in a protected market, under a totalitarian regime (in effect since 1926), and in a situation of political isolation due to the colonial dominions in Africa. This context created a tradition of administrative orientation, which resulted in an interventionist state with a heavy bureaucratic apparatus and a lack of customer orientation. The importance of the bureaucratic phenomenon is not exclusive to Portugal, but something common to other Latin European nations, as observed by Jesuino (2002) and before him by authors such as Crozier (1962) and D’Iribarne (1997). The *status quo* propitiated and was reinforced by the lack of well-qualified managers, a phenomenon observed by several authors (e.g. Jesuino, Pereira & Reto, 1993; Benett & Brewster, 2002). This was challenged only after the opening of the economy, with the arrival of international competition, multinational companies and privatizations in important business sectors, such as the financial sector.

The arrival of new sorts of organizations represented a paradigmatic change for entire industries. In a study of the Portuguese financial sector in the mid 1990s, newly founded private banks were viewed by their competitors as more prospective, innovative and customer-oriented (Cunha, 1998). The embrace of a philosophy of market orientation is, thus, for historical reasons, a new phenomenon. Recently, management practices have started to converge with the rest of the EU countries in many respects: the consistent decrease of union influence, the adoption of management fashions, the growing number of cross-border mergers and acquisitions, the replacement of an administrative approach to management by a strategic orientation. A new generation of increasingly educated management professionals seems to be taking charge (Cabral-Cardoso, 2003b).

In their study of human resource management practices in Spain, Carter et al. (2003) remarked that Spain cannot be considered creative or innovative in the area of management. The same can be applied to the Portuguese neighbor. Given the lack of creative local management solutions and the increasing networking brought up by the entry into the European Union and the process of globalization, the need to operate in an international context has led to the importation of so-called “best practices”. However, as emerges from the data below, the adoption of foreign practices can be synthesized with local flavors in order to make sense for those using them. As such, rather than amorously adopting “best practices”, some Portuguese managers are apparently trying to combine them with the local context. This will be discussed below, after the presentation of the methods used to extract this and other conclusions.

## METHOD

Data were collected through individual unstructured interviews with managers based in Portugal. Interviews were triggered by the following instruction: “Can you please characterize the Portuguese style of management?” Instructions for data collection were kept on an open format due to the inductive nature of the study: the goal was to collect free descriptions, instead of comments to previous studies. To serve as an informant, a manager had to meet two conditions: (1) have managerial experience in Portugal and (2) have managerial experience outside Portugal. As such, all Portuguese subjects experienced some kind of exposure to international cultures, for example in the form of assignments abroad, working for non-Portuguese firms, dealing on a regular basis with foreign clients and so forth. The foreign managers interviewed were all working in Portugal. It is admissible that these foreign informants may assess Portuguese management on the basis of their own culture, which in turn might give a very skewed picture. However, the dispersion of the nationalities of these managers may avoid a clear cultural bias. This issue, however, should be considered to be methodologically relevant.

Seventy-one managers were interviewed altogether. Interviews lasted between 45 and 90 minutes. Forty-seven interviewees were Portuguese and 24 were expatriates working in Portugal. This latter group included individuals from Austria (2), Belgium, Brazil (3), France (4), Germany, Italy, Jamaica, The Netherlands (3), Russia, Spain (2), Sweden (2), the United Kingdom (2), and the USA. Data collection extended between 1999 and 2003. Average age of the participants was 42.4 years, ranging from 27 to 66 years old. Eleven subjects were CEOs of their companies, nineteen were top managers, with the remaining holding middle management and technical positions in a wide range of

industries, including the financial, biotech, distribution, and telecommunications sectors.

Interviews were tape recorded and transcribed. Interview data were then submitted to an iterative semiotic cluster analysis from an early phase of the project. Written data were transformed initially into direct categories (see Table 1). Over time, patterns became apparent, and direct categories were arranged in thematic associations that, in turn, led to deeper categories or core concepts. The project thus started without a formal hypothesis about Portuguese management, and theory was generated inductively. Over time, it became apparent that new empirical material did not challenge the stability of the interpretive model. This was taken as an indication that the theory developed to accommodate the data was adequate and saturated (Lincoln & Guba, 1985). The data collection process was then concluded.

As noted, findings emerged from a semiotic clustering of the empirical material. Semiotic theory has been defined as “a unified approach to every phenomenon of signification and/or communication” (Eco, 1976, p.3). A central assumption of semiotics is that “surface signs are related to an underlying structure” (Feldman, 1995, pp.21-22). The role of semiotic analysis is to gain access to such a structure. Semiotic clustering has been described as a simple but powerful technique that allows researchers to uncover successive levels of meaning, from surface signs to the underlying structure (Manning, 1987). In this type of approach, data are usually organized into a table with three columns. The first column refers to direct, denotative meanings. It includes the main ways in which the concept of interest has been approached by informants. The second column, connotative meanings identifies a pattern underlying the denotative

meanings and builds new meaning through some type of thematic association. To make the process explicit, let me give the example of the transformation of direct meanings into thematic associations. Several references were made to the effects of the dictatorship, namely in terms of the protection of markets from aggressive external competition. Other references were made to the lack of cosmopolitanism of Portuguese managers. These two meanings, although different, may be associated in a single theme: the parochialism of a closed society. This thematic association captures a common link between two direct meanings. It must be said that there is not a “right” way of filling in this column since meanings are dependent upon interpretation and emerge from data. The last column involves an interpretation effort similar to the transposition of data from the first to the second column, reducing data to deep-structure concepts.

Deep-structure patterns, although not apparent at the direct level, capture common themes that are subtly present in the data, beneath the surface. This final column thus includes the root causes and suggests a deep structure underlying the data. Table 2 presents the semiotic clustering for the present study, resulting from the fact that as familiarity with the data increased, three patterns crystallized, corresponding to the “underlying structure” mentioned by Manning (1987). This is ultimately, however, a personal interpretation – as remarked by Manning and Cullum-Swan (1994, p.466), “the interpretant of a sign is another sign”. As such, it must be assumed that when the interpretant changes, signs change meaning. My interpretations should then be viewed as “impressions” gained from fieldwork which may diverge from those of other researchers (Van Maanen, 1988). These “impressions” should not be considered as a final, authoritative account of an objective reality, but part of a socially constructed reality, whose possible value may change over time. To increase the trustworthiness of

the interpretation, several measures were taken. The model proposed here was sent back to a sample of managers for criticism and refinement. It was also presented in workshops and executive education sessions. A preliminary working paper was also distributed to those expressing an interest in the ongoing project. The interpretation was considered acceptable in these various checks.

## RESULTS AND DISCUSSION

Twenty-nine direct categorical meanings emerged from the fragmented and detailed information contained in the written transcripts. Some first-hand evidence on the direct meanings is presented in Table 1, to indicate the type of collected data. In this first moment, data were accepted as they were presented in the interviews. Direct meanings express the data as offered by the informants. An explanation of the direct categories is presented in Table 1. These categories include the themes considered by the informants to describe management in Portugal.

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Table 1 about here  
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The search for thematic associations between direct meanings was then conducted. It became apparent that ten thematic associations provided a more parsimonious reorganization of the data. These were: 1) parochialism (an isolated view of the world), 2) an administrative-bureaucratic orientation (rules and regulations rule), 3) paternalism (passivity and obedience in exchange for “superior” protection), 4) lack of management



skills (immediatism, unstructured action), 5) international solutions (brought about by the arrival of multinational corporations), 6) benchmarking (the exposure to world class business cases), 7) management thinking (referring to an increase in the sophistication of management thought), 8) international focus (the emergence of a young generation of managers with an international perspective), 9) “glocal” style (making good use of the traditional Latin style management skills) and 10) new managerial agency (a new role for the individual manager). The ten connotative meanings were then aggregated in three core concepts introduced in the previous section: thesis (a parochial mindset), antithesis (an international mindset) and synthesis (a renewed “Latin touch”, to use Hickson and Pugh’s [1995] designation). These deep concepts seem to adequately cover the qualitative materials obtained from the informants. The aggregation has the following logic:

- The first deep-structure concept (thesis) presents an historically dependent cluster that defines managerial practice as the result of an historical, path-dependent process, still heavily influenced by the pre-1974 heritage. This first cluster groups those themes that have a clear reference to the pre-1974 sociopolitical heritage. It contracts issues that refer to a closed society, to a management deficit, to a paternalistic, bureaucratic view of the business world.
- The second deep-structure concept (antithesis), aggregates views on a “global” perspective, imported with the post-1974 economic and cultural openness. It refers to the consequences of the opening of the economy and is marked by the promises of modernization associated with the internationalization process and the inception of a liberal approach.
- The third deep-structure concept (synthesis) provides a blend of the previous approaches, combining the need to cultivate the cultural identity while learning best

management practices. In this case, respondents “rescue” some of the features of the “traditional Portuguese style” and give them a fresh new meaning in the framework of a new economic landscape, where these characteristics may arguably be valuable if used appropriately.

The clustering provides a more parsimonious reading of the characteristics of Portuguese management and, as noticed after the data analysis, is consistent with previous literature, namely with Gupta and Govindarajan’s (2002) distinction between parochial and global mindsets. These final integrative categories are elaborated below. They were considered adequate because they reflect three major interpretive patterns advanced by respondents: a pre-1974 effect created a closed society, corresponding to the thesis pattern; the economic overture led to a search for international benchmarks, corresponding to the antithesis pattern; the need to depart from the parochial approach without acritically adopting a foreign approach characterizes a third pattern, which may be viewed as a synthesis of the previous two. This tension between a thesis and its antithesis may be acting as a change motor. Hence, a dialectical approach emerged as a possibility for interpretation. The importance of dialectics for understanding social change has been observed both theoretically (Van de Ven & Poole, 1995) and empirically (Cunha & Cunha, 2003).

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Table 2 about here  
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**The thesis.** The three underlying broad categories that emerged from the data analysis can be interpreted as corresponding to a dialectical process in the making. The first block of the dialectical process is a thesis. Based on the definition of Adler (1997), the factor was called parochialism, considering that it reflects an isolated view of the world and the lack of knowledge and appreciation for other cultures. This is possibly the result of 50 years of living under a totalitarian regime. The regime, due to international pressure, promoted a policy of isolation, politically and economically speaking. As a result, not only active managers and workers, but the general populace, as well, were expected to be obedient and to respect the rules. They received, in exchange, a job for life in an economically buffered environment. The combination of parochialism, bureaucracy, paternalism and the lack of some critical management skills can thus be understood as a mindset nurtured in the context of a closed economy, but inadequate for an open society.

Another salient feature of the traditional managerial mindset is one that appears in most interviews is *desenrasque*, which can be described as the art of problem-solving in difficult circumstances, namely under time pressure and in the absence of structure. It is a sort of improvisation from which the minimal structure (Kamoche & Cunha, 2001) has been eliminated. This apparently corroborates Latin European managers' preference for unstructured action. Aram and Walochik (1996) noted the preference of Spanish managers for improvisational action, which led to the informality, flexibility, spontaneity and low reliance on systems characterizing "the typical" Latin European organization. Like Aram and Walochik's respondents, Portuguese managers were also well aware of the negative potential of "free" improvisational action. As one informant

said, “We are very, very flexible. More than others. The question is that too much flexibility leads to turmoil.”

There is also a relationship between flexibility and the concept of time. Hickson and Pugh (1995) dubbed Latin European managers as immediatist, “leaving arrangements to the last minute and changing long-agreed plans” (p.74). To better grasp this understanding of timing rules, Hall’s (1981) distinction between monochronic and polychronic cultures may be useful. The former are clock-obsessed while the latter are less rigorous with punctuality and deadlines. As observed by Gesteland (1999), in polychronic cultures, such as the Portuguese, according to the informants, loose scheduling is valued, and meetings-within-meetings may be taking place, simultaneously fulfilling multiple agendas.

Another relevant characteristic of Portuguese management is the importance of personal contact. As one foreign informant revealed, “In Germany or the UK, contacts with customers occur through formal channels, like email or the call-center. In Portugal the personal direct contact is favored.” This preference for developing relationships has been remarked on by other informants as well: “In Portugal, relationships evolve over time. Germans are formal in the beginning and remain formal all the time. With the Portuguese, the relationship changes over time and becomes more informal as people get to know each other.” Sources of informality and personalized management other than cultural preference, possibly derive from the restrictions on human resource management imposed by a strict legislation and from the lack of structured management systems, which are substituted by, and simultaneously reinforce, paternalism and informality. This lack of systems inevitably creates feelings of injustice and envy,

because decisions, to some extent, are viewed as discretionary. The similarity between these descriptions and those of Spanish managers in Aram and Walochik's (1996) research, is certainly more than a mere coincidence.

**The antithesis.** Following the April 1974 *coup d'état*, societal change (including managerial change) was precipitated. The contact with multinational companies, including consulting companies, combined with a growing offer of management education and the arrival of a dynamic business press, all contributed to the entry of the management rhetoric into Portuguese firms. Mimetic pressures, oblivious to national borders (Mueller, 1994), led to the adoption of the international repertoire of management fads and fashions (Abrahamson, 1996). An antithesis was found, to counter the previous mindset. The European Union membership also contributed to making the inadequacies of the previous, parochial mindset highly visible. Through importation and experience in international companies, an open mindset started to be adopted. As noted by Barnevik (1991), "global managers are made, not born" (in Taylor (1991, p.95). Or as put by one Portuguese respondent, "Younger managers show a new management culture, which results from globalization of the international management values as well as from a more adequate university education."

The benefits resulting from the adoption of best practices are clearly communicated in rankings such as "the best companies to work for". The Portuguese 2002 list was mainly occupied by multinationals, with the Top 10 featuring DHL, Bristol Myers Squibb, Accenture, Deloitte Consulting, Microsoft, Diageo, Peugeot, Europcar, Deloitte & Touche and BP.

The need to improve strategic management, particularly strategic planning, was also addressed in the antithesis. Multinational consulting companies, under the aegis of notable management gurus, produced reports on the Portuguese competitive condition. The Monitor Company report (Monitor Company, 1994), co-ordinated by Michael Porter, or more recently, in 2003, the McKinsey report on Portugal's competitiveness, are only examples of "strategic governance". Management schools and business associations diagnosed entrepreneurial behavior and produced manifestos for a new competition, sometimes in association with established international networks (e.g. AEP, 2001; Global Entrepreneurship Monitor, 2001). A new management time is sometimes announced as a result of the increasing international exposure of young Portuguese managers. As noted by one informant, "The remains of the parochial mindset will be removed by the exit of national managers to other countries. As they return, they bring with them a potential for change."

**The synthesis.** The result of this dialectical tension, as interpreted by many informants, may be the inception of a new managerial mindset, which can be labeled as the renewed Latin touch. This incorporates the best of Latin European culture, such as the capacity to be flexible and adaptive, the cultural sensitivity noticed particularly by foreign informants, and the relational skills that are of utmost importance in a global business environment. As one informant noted "our capacity to improvise is clearly superior to that found in other countries." The problem is that "when improvisation is taken to the extreme it may lead to turmoil." In sum, people were experiencing a contradiction: their habitual mode of action was being threatened by a new approach that negated the validity of improvisation as good management practice. And not only were people used to it; they found it valuable at times. They simply refused to accept that their habitual

mode of action was inferior, and sometimes they viewed it as even superior: several respondents, both Portuguese and non-Portuguese, gave examples of how improvisation helped them deal with difficult problems in creative ways. As such, improvisation may not be a problem in itself, but rather it may be (in)adequate under certain circumstances.

To integrate – to effect a synthesis between the national way of doing things and the global mindset – it was suggested that the following may be helpful: 1) previous characteristics (flexibility, cultural sensitivity, relational skills) should be combined with more rigor in time management (“we are too tolerant with missing deadlines and milestones”) in order to avoid the inefficiencies of a rather fluid concept of time; 2) make an effort to plan; 3) have a critical perspective on the understanding of improvisation, which is often viewed as attractive by proud managers experienced at working in a rather improvised mode (“artistic”, as one informant ironically remarked); and 4) substituting a bureaucratic orientation for a market orientation. This possible evolution through synthesis does not preclude the permanence of managers closer to the parochial or the international mindsets, possibly with the predominance of the former, as suggested by Bennett and Brewster’s (2002) results – a possibility to be tested in the future. The potential virtuosity of the synthesis between organic and mechanistic approaches to management has been suggested, for example, by Brown and Eisenhardt (1997), who uncovered the power of apparently paradoxical approaches to management and organization in their analysis of semi-structures: organizational forms that combine flexibility and rigidity. Whether this new management style will become widespread or not, is something only time will tell.

## CONCLUSION

“In the ideal company, the Portuguese manager would  
be inside a glass-case to break only in case of emergency.”

Portuguese informant

There seems to be the tendency of countries less sophisticated in terms of management expertise to import advanced techniques (Wood & Caldas, 2002). However, the adoption process may be accompanied by an effort toward adaptation: as remarked by D'Iribarne (2002), international tools tend to meet local adaptations. In this sense, rather than substituting the parochial mindset for its antithesis (the international management model), some Portuguese managers may be trying to achieve a synthesis between the local and the global. In other words, they may be trying to make good use of national culture, while limiting the parochial, dysfunctional side of it. In fact, the direct adoption of global managerial tools may be difficult and undesirable. It is clear, in line with previous research on Latin European countries (Aram & Walochik, 1996) that if management in a Northern European or American perspective is associated with rationality, planning and systems, from the Latin European view it is closer to such concepts as informality, flexibility and spontaneity. It would be unwise to ignore the fact that some desired features of the international manager, such as adaptivity to new situations, sensitivity to different cultures and relational skills (see Pugh & Hickson, 1995, p.292), seem to be stronger in Latin European managers; the flip side of these advantages becomes clear in such symptoms as lack of planning, difficulties with time management, and immediatism.



According to several informants, local companies recur to management techniques that are less sophisticated than those used by multinational companies operating in the country. This is in line with the observation of Carter et al. that “when modernity, for local political reasons, is better developed elsewhere, then it is from this elsewhere that ideas will be imported” (2003, p.20). This importation seems to be taking place in Portugal. The results offered here suggest, however, that more than a simple acquisition, the adoption process may be better seen as a synthesis between “world class best practices” and local needs. Particularly eager to effect a synthesis between the local culture and the international representation of good management, according to the informants, there seems to be a young generation of professionals whose profile is apparently diverging from the traditional mode. A “generation gap” has been observed in other societies that have undergone significant socio-economic change (e.g. Naumov & Puffer, 2000).

Results of this study may be of practical value. For example, the study suggests that Latin European managers may be well positioned to respond to some challenges facing contemporary organizations, namely the need for expressing emotions in the workplace, which may be a positive factor in a business world that has recently discovered the value of emotional intelligence, and for “blending traditional masculine and feminine approaches to handle organizational uncertainties.” (Nichols, 1994, p.58) In fact, the Portuguese feminine culture, and the exposure to masculine management techniques, may combine to produce a virtuous synthesis. However, and in line with previous research (Jesuino, 2002), the continuing orientation towards the humane component of organizing should be more balanced with a higher level of structure. This appears as an important challenge considering that countries who view themselves as more structured,

are also the more prosperous, competitive and productive. This need to increase structure will probably be facilitated by an emphasis on an orientation towards the future. Orientation towards the future refers to the degree to which a society encourages behaviors such as planning and the delay of gratification (House et al., 1999). Portugal scores low in this orientation, which may help to explain the difficulties in efficient time management and the routine preference for the extreme flexibility involved in the practice of improvisation. As noted above, this marked preference for improvisation over planning has been reported to apply to the case of Spanish and French managers, as well (Aram & Walochik, 1996). From the above, managers may consider the following implications of this work: the relational approach may be used to leverage performance improvement; flexibility should be complemented with clear minimal structures (goals, responsibilities, deadlines); clear rules may facilitate departure from traditional and paternalistic leadership; a more rigorous approach to time management may improve effectiveness and a planned approach may avoid the need for dysfunctional *desenrasque*.

This paper has several limitations: it is an inductive study, which sacrifices the precision of survey research in favor of an exploration of individual deep-structure interpretations. Differences between Portuguese and non-Portuguese managers were not explored here, but should be considered in further research. The data are also amenable to other explanations. Due to its qualitative and grounded nature, this paper's interpretation should be tested in other settings. Particularly necessary will be the comparison between the profile of the Portuguese manager portrayed here and the systematic comparison with managerial practices in the other Latin European countries, a need not addressed up to now.

To conclude, this study suggests that despite the perceived need to become more competitive, a new cohort of managers in Portugal is apparently trying to effect a synthesis between the profile of the “good manager” as internationally accepted, and the local culture. As such, the changing professional identity of Portuguese managers may be part of a broader process of redefinition of Portugal’s national identity (Miranda, 2002), in transit from a closed to an open society. This process involves the exchange of the local and the foreign more than the direct appropriation of “best practices”. This article has contributed to the polycentric research approach (Adler, 1982) and, through this, to the understanding of management as situated practice, bounded by the circulation of influences between national history and the international diffusion of management ideas.

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